

STATEMENT OF SENATOR JOHN MCCAIN
CHAIRMAN, SENATE COMMITTEE ON
COMMERCE, SCIENCE, AND TRANSPORTATION
FULL COMMITTEE HEARING
ON THE AIRLINE PASSENGER FAIRNESS ACT
MARCH 12, 1999

When it comes to safety, 1998 was perhaps the best year ever in the domestic airline industry. That's the good news. The bad news is that the airlines simultaneously reached the low-water mark on customer service.

Complaints are on the rise. And what is the "number one" passenger complaint? That his or her concerns are falling on deaf ears. Judging by the number of bills introduced and hearings scheduled on this issue, I would say that tide has turned.

The Airline Passenger Fairness Act (S. 383) sets out basic service levels that travelers can count on when they fly. We're not talking about guarantees of French wines and blockbuster movies in coach. We're talking about the expectation that you will be told the truth about why your flight was canceled. Or the expectation that you can find out from an airline whether or not you are getting its lowest fare that's available to you.

Airlines are already prohibited from exercising "unfair and deceptive practices," and "unfair methods of competition." The Airline Passenger Fairness Act simply specifies that airlines that deny their passengers certain fair treatment risk violating this prohibition. The DOT would use its existing authority to investigate complaints. If necessary, DOT would order the carrier to stop the passenger mistreatment. If the carrier resists, it could be subject to civil penalties.

The Airline Passenger Fairness Act would enable an airline passenger to (1) find out whether the flight on which that passenger is reserved has been overbooked; (2) use whatever portions of a ticket he chooses to use to get to his destination; (3) find out from an airline whether she has been offered the cheapest fare available to her on that airline; (4) receive prior notice when a scheduled flight will be delayed, if reasonable; (5) receive accurate information about the reasons why a passenger's flight has been delayed, canceled, or diverted to another airport; (6) obtain a refund of the purchase price of a ticket if the passenger requests it within 48 hours of purchase; and (7)

receive helpful information about a carrier's frequent flyer program.

The airlines have complained that this bill would increase costs and cause ticket prices to increase. I do not understand, however, how simply telling a passenger whether a flight is overbooked would increase costs. How does telling the truth about delays increase costs?

People may ask why legislation is either necessary or appropriate. Their theory is simple. If you don't like the service an airline has to offer, simply fly on another airline. This theory is reality only in a truly competitive market without barriers to entry.

The General Accounting Office has recently reconfirmed, however, that barriers to entry remain high in the airline industry. Likewise, passengers in certain hub markets have little choice but to fly on the dominant carrier. Improving passengers' options is just one more reason that I have highlighted aviation competition issues.

Meanwhile, I encourage the airlines to embrace our dialogue on customer service. In my opinion, they should use the opportunity to demonstrate what they already do and can do to ensure good travel experiences for all.

I want to thank our witnesses for being here today. especially want to thank Senator Wyden for his efforts in drafting the Airline Passenger Fairness Act.